

Decision 02-12-011 December 5, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application Of Southwest
Gas Corporation for Authority to Adjust Public
Purpose Program Surcharges.
(U 905 G)

Application 02-07-009
(Filed July 1, 2002)

In the Matter of the Application of PACIFICORP
for Approval of Post-2002 Low-Income Energy
Efficiency Program and CARE Program Funding.

Application 02-07-013
(Filed July 1, 2002)

IN THE MATTER of the Application of SIERRA
PACIFIC POWER COMPANY (U903) for an
Order Approving Its Low-Income Public Purpose
Program Plan and Budget.

Application 02-07-016
(Filed July 2, 2002)

In the Matter of the Application of Southern
California Water Company (U 133 E) Regarding
Low-Income Assistance Programs for its Bear
Valley Electric Service Customers for Program
Year 2003.

Application 02-07-017
(Filed July 3, 2002)

Application of Avista Corporation dba Avista
Utilities regarding its 2003 Program Year Plan
and Budgets for C.A.R.E. and L.I.E.E.

Application 02-07-018
(Filed July 2, 2002)

INTERIM OPINION:

CONTINUATION OF RAPID DEPLOYMENT PLANS BEYOND 2002 FOR SOUTHWEST GAS COMPANY, PACIFICORP, SIERRA PACIFIC POWER COMPANY, BEAR VALLEY ELECTRIC, AND AVISTA UTILITIES,

Overview and Summary

By Decision (D.) 01-05-033 and D.01-08-065, we augmented utility programs and associated budgets for low-income energy assistance utilizing the funding appropriated by the Legislature via Senate Bill (SB) X1 5.¹ Today's decision authorizes the continuation of these programs for Southwest Gas Corporation (Southwest Gas), PacifiCorp, Sierra Pacific Power Company (Sierra Pacific), Bear Valley Electric and Avista Utilities, collectively referred to as "the utilities," while we consider Energy Division's recommendations on post-2002 program plans and parties' comments on those recommendations.

Specifically, we direct the utilities to continue to implement the rapid deployment plans for Low-Income Energy Efficiency (LIEE) and California Alternate Rates For Energy (CARE) authorized by D.01-08-065 beyond December 31, 2002, until further Commission order. We also authorize the utilities to track post-2002 program costs in their existing LIEE and CARE balancing accounts, or to create new memorandum accounts for this purpose.

Procedural Background

By ruling dated April 19, 2002, the Assigned Commissioner directed the utilities to file proposals for post-2002 LIEE and CARE activities and budgets, and directed Energy Division to hold workshops on the proposals and develop

¹ SBX1 5 was passed by the Legislature on April 5, 2001, during the First Extraordinary Session (Stats. 2001, ch. 7), and signed by the Governor on April 11, 2001.

recommendations for Commission consideration. The utilities filed their program plans on July 1, 2002. Energy Division held a public workshop on August 15, 2002, and continued to gather additional data and program information from the utilities after the workshop in order to finalize its recommendations. Energy Division's workshop report was filed and served on October 31, 2002.

Discussion

We intend to issue our final decision on the utilities' post-2002 low income assistance programs and funding levels within the first quarter of 2003. However, pending our consideration of Energy Division's recommendations, and parties' comments on those recommendations, the utilities require Commission authorization to continue program activities uninterrupted beyond 2002.

Accordingly, we authorize the utilities to continue to implement the rapid deployment plans and associated budgets for the LIEE and CARE programs authorized by D.01-08-065 until further Commission order. Most of the utilities have balancing accounts in place for LIEE and CARE expenditures, and we authorize them to track post-2002 expenditures in those accounts for collection in future rates. However, Southwest Gas does not currently have a balancing account for LIEE expenditures, nor does Sierra Pacific for either LIEE or CARE. Both request balancing account treatment for these expenditures, consistent with the ratemaking afforded other small and multi-jurisdictional utilities. Southwest Gas' request for an LIEE balancing account is pending in this proceeding. Sierra Pacific's request for balancing account treatment is pending in its general rate case proceeding, Application (A.) 01-06-041.

Until the Commission can act on these requests for balancing account treatment, Southwest Gas and Sierra Pacific should track their post-2002 expenditures for low-income assistance programs in memorandum accounts. Nothing in today's decision, however, precludes the Commission from auditing post-2002 expenditures booked to the utilities' balancing or memorandum accounts to determine the reasonableness of such expenditures for future rate recovery.

Comments on Draft Decision

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. No comments were filed.

Assignment of Proceeding

Carl Wood is the Assigned Commissioner and Meg Gottstein is the assigned ALJ in this proceeding.

Finding of Fact

Pending the Commission's consideration of Energy Division's recommendations on post-2002 program activities and funding levels, the utilities require Commission authorization to continue low-income energy assistance programs uninterrupted beyond 2002.

Conclusions of Law

1. In order to avoid disruption in program delivery, it is reasonable to extend the authorization for rapid deployment program activities and associated budgets adopted in D.01-08-065 until further Commission order.

2. For program costs incurred beyond December 31, 2002, the utilities should be authorized to track amounts expended in existing CARE and LIEE balancing accounts, or to create new memorandum accounts for this purpose.

3. Nothing in today's decision should preclude the Commission from auditing post-2002 expenditures booked to the utilities' balancing or memorandum accounts to determine the reasonableness of such expenditures for future rate recovery.

4. In order to ensure the continued provision of low-income assistance programs beyond December 31, 2002, this order should be effective today.

INTERIM ORDER

IT IS ORDERED that Southwest Gas Corporation (Southwest Gas), PacifiCorp, Sierra Pacific Power Company (Sierra Pacific), Bear Valley Electric and Avista Corporation (dba Avista Utilities), collectively referred to as "the utilities," shall continue to implement the rapid deployment plans for low-income assistance programs authorized by Decision 01-08-065 beyond December 31, 2002 until further Commission order. The utilities shall track the post-2002 costs of Low-Income Energy Efficiency (LIEE) and California Alternate Rates For Energy (CARE) in their existing LIEE and CARE balancing accounts.

This order is effective today.

Dated December 5, 2002, at San Francisco, California.

HENRY M. DUQUE
CARL W. WOOD
GEOFFREY F. BROWN
MICHAEL R. PEEVEY
Commissioners

President Loretta M. Lynch, being necessarily absent,
did not participate.